



JACK O'CONNELL

State Superintendent of Public Instruction

Phone: (916) 319-0800

Fax: (916) 319-0100

July 25, 2003

Dear County Superintendents of Schools, County Auditors, and County Treasurers:

2003-2004 Advance Apportionment

This letter is to advise you of the Advance Apportionment for elementary, high, and unified school districts, charter schools and county offices of education for the 2003-2004 fiscal year. The total Advance Apportionment is \$16,893,329,310.

In accordance with the decision of the Court of Appeal in *White v. Davis*, the State Controller is precluded from disbursing funds without an enacted budget bill or emergency appropriation and is limited to disbursing funds pursuant to appropriations found in other statutes and provisions of law. Accordingly, in the absence of a signed state Budget Act for the 2003-2004 fiscal year, the funding for the Advance Apportionment was limited to the state aid portion of the revenue limits for school districts and county offices of education and the general-purpose entitlement for charter schools funded under the charter school block grant.

As provided in *Education Code* Section 41330, the 2003-2004 Advance Apportionment is based on the 2002-2003 Second Principal Apportionment state aid, which is then increased to reflect estimated adjustments authorized in statute. These adjustments include average daily attendance growth, local revenue growth, and funding to mitigate the Public Employees' Retirement System (PERS) reduction, all of which are currently proposed to be adopted by the Legislature.

Recognizing the significant fiscal effect that the current budget crisis is placing on our schools, I had additional funding included for a cost-of-living increase and school district equalization, both of which are authorized in statute but proposed to be eliminated when the budget is enacted. I also did not make reductions for the proposed 1.2% deficit factor to revenue limits and for the elimination of increases to revenue limit apportionments for basic aid funding.

As a result of these statutory adjustments, local educational agencies (LEAs) will most likely be apportioned more than their actual entitlement would have been in the months July through January. A recertification of the Advance Apportionment will be made upon enactment of the 2003-2004 Budget Act, and at that time, the monthly payments will be adjusted. LEAs should budget accordingly.

For your convenience, a copy of this letter and apportionment exhibits are available on our Web site under Principal Apportionments at www.cde.ca.gov/fiscal/. The Web site also contains a list of staff to assist you if you have questions regarding the apportionment.

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Note to county superintendents: Please advise districts and charter schools of this apportionment as soon as possible by providing them a copy of this letter.

If you have any questions, please contact our Principal Apportionment Office at (916) 324-4541.

Sincerely,

A handwritten signature in black ink that reads "Jack O'Connell". The signature is written in a cursive style with a large, looped "J" and "O".

JACK O'CONNELL

JO:cc